



**COMMISSIONER OF SECURITIES
STATE OF GEORGIA**

In the Matter of

**Dynamic Adsorbents, Inc.,
and Dr. Mark Moskovitz**

Respondents.

Case Number: ENSC-150517

CONSENT ORDER

Pursuant to O.C.G.A. § 10-5-71(a)(1) of the Georgia Uniform Securities Act of 2008, O.C.G.A. § 10-5-1, et seq. ("Act"), the Commissioner of Securities for the State of Georgia ("Commissioner") caused an investigation to be made into Dynamic Adsorbents, Inc. ("Dynamic") and Dr. Mark Moskovitz ("Moskovitz") (collectively "Respondents") to determine whether Respondents had violated the Act or a rule adopted by the Commissioner thereunder ("Rules"). The Commissioner subsequently determined that Respondents had in fact engaged in actions constituting violations of the Act and the Rules. As a result, pursuant to O.C.G.A. § 10-5-73, the Commissioner issued Respondents a Proposed Cease and Desist Order and Imposition of Civil Penalty and Notice of Opportunity for Hearing dated October 7, 2016 ("Proposed Order").

On November 15, 2016 Respondents timely requested a pre-hearing conference pursuant to Rule 590-4-6-.12. Respondents' request for a pre-hearing conference was duly accepted by the Commissioner, thereby tolling the thirty (30) day time period for requesting and setting any formal hearing before the Commissioner. Having considered information provided by Respondents and representations made by Respondents during the pre-hearing conference period, the Commissioner and Respondents hereby agree to the terms and conditions set forth herein.

CONSENT TO JURISDICTION AND WAIVER

1. Respondents consent to the jurisdiction of the Commissioner over Respondents and this

matter pursuant to the Act.

2. Respondents and the Commissioner stipulate and agree to the issuance of this Consent Order without further proceedings in this matter, agreeing to be fully bound by the terms and conditions specified herein.

3. Respondents agree not to take any action or to make or permit to be made any public statements creating the impression that this Consent Order is without factual basis.

4. Respondents stipulate and agree with the Commissioner that should any facts herein prove to be false, the Commissioner reserves the right to pursue any and all legal or administrative remedies at its disposal.

5. Respondents, through the execution of this Consent Order, voluntarily waive their rights to a formal hearing on this matter and to judicial review of this Consent Order.

6. Respondents enter into this Consent Order voluntarily and represent that no threats, offers, promises, or inducements of any kind have been made by the Commissioner or any member, officer, employee, agent, or representative of the Commissioner to induce Respondents to enter into this Consent Order.

FINDINGS OF FACT

7. From approximately November 2012 to January 2013, Dynamic issued securities in the form of promissory notes to at least three (3) investors. Dynamic pledged additional securities to these investors in the form of common stock.

8. The securities pledged a return of the invested principle plus interest, shares of Dynamic's common stock, and the option to purchase additional shares of Dynamic's common stock.

9. Dynamic did not register the issued securities in compliance with O.C.G.A. § 10-5-20.

10. During the solicitation of the securities, Dynamic, through Moskovitz, made untrue statements of material fact or failed to state material facts necessary in order to make the statements made not misleading. Those statements made misrepresentations about Dynamic's ability to generate income, the purpose for the issuance of securities, and Dynamic's general business conditions.

11. Dynamic raised and profited approximately forty one thousand dollars (\$41,000) by issuing the unregistered securities.

PARTIES

12. Dynamic is a domestic for profit corporation registered with the Corporations Division of the Office of the Secretary of State of Georgia. Dynamic's last known principal office address is 3280 Peachtree Corners Circle, Suite E, Norcross, Georgia 30092.

13. Moskovitz is the chief executive officer, chief financial officer, and secretary of Dynamic. As an officer of Dynamic, Moskovitz is authorized to make binding representations on behalf of Dynamic.

INVESTOR 1

14. Investor 1 is resident of the State of Colorado. During 2012, Investor 1 was introduced to Dynamic's representative, Moskovitz, through an unaffiliated third party. Moskovitz explained to Investor 1 that Dynamic was seeking short term capital funding. Moskovitz represented that the purpose of the funding was to renew patents, fund operations until a business loan was finalized, and fund operations until international sales were completed.

15. On or about December 4, 2012, Investor 1 entered into an undated short-term Debt Agreement ("Agreement 1") with Moskovitz, on behalf of Dynamic. The term of Agreement 1 was December 4, 2012 through December 31, 2012, during which, beginning December 5, 2012, \$340.00 of interest accrued per business day. Under the terms of Agreement 1, executed December 4, 2012, Investor 1 paid a twenty thousand dollar (\$20,000.00) principal, and Dynamic agreed to pay twenty six thousand one hundred twenty dollars (\$26,120.00) on December 31, 2012, which included principal and interest. As part of Agreement 1, Dynamic pledged two hundred (200) shares of Dynamic's stock/equity to be issued on December 31, 2012, and Agreement 1 called for Dynamic to pledge thirty thousand dollars (\$30,000.00) in equipment as security for Agreement 1.

16. Moskovitz represented both the loan and international sales were in their final stages and would be completed during the term of the short term of Agreement 1. Dynamic would use the capital received from the loan and international sales to repay Agreement 1.

17. Dynamic failed to repay the loan under the terms of Agreement 1 by the contractually obligated date. Dynamic failed to issue the stock/equity under the terms of Agreement 1 by the contractually obligated date.

18. During 2013, Moskovitz made several representations on behalf of Dynamic that international sales were forthcoming. Dynamic has never produced documentation to substantiate that these international sales occurred.

19. During 2013, Moskovitz made multiple representations on behalf of Dynamic that the business loan was forthcoming. Dynamic has never produced documentation to substantiate the claims regarding this loan.

20. During November 2013, Dynamic issued a check in the amount of one thousand six hundred sixty six dollars and sixty seven cents (\$1,666.67) to Investor 1 to repay a portion of Agreement 1; the payment was returned by the bank to Investor 1 for insufficient funds.

INVESTOR 2

21. Investor 2 is resident of the State of Colorado. During 2012, Investor 2 was introduced to Dynamic's representative Moskovitz. Moskovitz explained that Dynamic was seeking short term capital funding. Moskovitz represented that the purpose of the funding was to renew patents, fund operations until a business loan was finalized, and fund operations until international sales were completed.

22. On or about December 6, 2012, Investor 2 entered into a Debt Agreement ("Agreement 2") with Moskovitz, on behalf of Dynamic. The term of Agreement 2 was December 6, 2012 through December 31, 2012, during which, beginning December 7, 2012, eighty dollars (\$80.00) of interest accrued per business day. Under the terms of Agreement 2, dated December 6, 2012, Investor 2 paid eight thousand dollars (\$8,000.00) in principal, and Dynamic agreed to pay ten thousand dollars (\$10,000.00) on January 1, 2013, which included principal and interest. As part of Agreement 2, Dynamic pledged two hundred (200) shares of Dynamic's stock/equity to be issued on December 31, 2012, and Agreement 2 called for Dynamic to pledge twenty thousand dollars (\$20,000.00) in equipment as security for Agreement 2.

23. Moskovitz represented both the loan and international sales were in their final stages and would be completed during the term of the short term of Agreement 2. Dynamic would use the capital received from the loan and international sales to repay Agreement 2.

24. Dynamic failed to repay the loan under the terms of Agreement 2 by the contractually obligated date. Dynamic failed to issue the stock/equity under the terms of Agreement 2 by the contractually obligated date.

25. During 2013, Moskovitz made several representations on behalf of Dynamic that international sales were forthcoming. Dynamic has never produced documentation to substantiate that these international sales occurred.

26. During 2013, Moskovitz made multiple representations on behalf of Dynamic that the business loan was forthcoming. Dynamic has never produced documentation to substantiate the claims regarding this loan.

27. During November 2013, Dynamic issued a check in the amount of one thousand six hundred sixty six dollars and sixty seven cents (\$1,666.67) to Investor 2 to repay a portion of Agreement 2; the payment was returned by the bank to Investor 2 for insufficient funds. Dynamic issued a subsequent check for one thousand six hundred sixty six dollars and sixty seven cents (\$1,667.00), an amount less than contractually due, which Investor 2 cashed.

INVESTOR 3

28. Investor 3 is resident of the province of Alberta. During 2012, Investor 3 was introduced to Dynamic's representative Moskovitz. Moskovitz explained that Dynamic was seeking short term capital funding. Moskovitz represented that the purpose of the funding was to renew patents, fund operations until a business loan was finalized, and fund operations until international sales were completed.

29. On or about December 17, 2012, Investor 3 entered into a Debt Agreement ("Agreement 3") with Moskovitz, on behalf of Dynamic. The term of Agreement 3 was December 17, 2012 through January 15, 2013, during which, beginning December 17, 2012, one hundred forty four dollars and forty four cents (\$144.44) of interest accrued per business day. Under the terms of Agreement 3, executed December 17, 2012, Investor 3 paid thirteen thousand dollars (\$13,000.00) in principal, and Dynamic agreed to pay seventeen thousand three hundred thirty three dollars and twenty cents (\$17,333.20) on January 16, 2013, which included principal and interest. Agreement 3 called for Dynamic to pledge twenty thousand dollars (\$20,000.00) in equipment as security for Agreement 3.

30. Moskovitz represented both the loan and international sales were in their final stages and would be completed during the term of the short term of Agreement 3. Dynamic would use the capital received from the loan and international sales to repay Agreement 3.

31. Dynamic failed to repay the loan under the terms of Agreement 3 by the contractually obligated date.

32. During 2013, Moskovitz made several representations on behalf of Dynamic that international sales were forthcoming. Dynamic has never produced documentation to substantiate that these international sales occurred.

33. During 2013, Moskovitz made multiple representations on behalf of Dynamic that the business loan was forthcoming. Dynamic has never produced documentation to substantiate the claims regarding this loan.

34. During November 2013, Dynamic issued a check in the amount of one thousand six hundred sixty six dollars and sixty seven cents (\$1,666.67) to Investor 3 to repay a portion of Agreement 3; the payment was returned by the bank to Investor 3 for insufficient funds.

CONCLUSIONS OF LAW

35. Paragraphs 1 through 34 are incorporated by reference as though fully set forth herein.

36. The Commissioner has jurisdiction over this matter pursuant to the Act.¹

37. Pursuant to O.C.G.A. § 10-5-70, *et. seq.*, the Commissioner is authorized to institute this investigation and issue this Order.

38. Pursuant to O.C.G.A. § 10-5-73, the Commissioner is authorized to issue an order directing a party to cease and desist from violations of the Act if the Commissioner determines that a party has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of the Act or Rules.

39. The debt agreements issued by Dynamic to each of the three (3) Investors are “securities” as defined by O.C.G.A. § 10-5-2(31). The issuance of equity included in the debt agreements, in addition to the debt agreements themselves, are considered an offer or sale of securities as defined by O.C.G.A. § 10-5-2(29).

40. The securities issued by Dynamic are not, and have never been, registered pursuant to the Act. The issuance of unregistered securities by Dynamic is a violation of O.C.G.A. § 10-5-20 and is an actionable event pursuant to O.C.G.A. § 10-5-73. As a consequence of the action, Dynamic is subject to discipline.

41. In the sale of the issued securities, Moskovitz represented Dynamic’s ability to fulfill the terms of the issued securities and Dynamic’s general business conditions. Neither Dynamic nor Moskovitz has ever produced documentation to substantiate the claims made during the solicitation. Dynamic and Moskovitz violated O.C.G.A. § 10-5-50 by, in connection with the

¹ See GA. CODE ANN. §§ 10-5-41, 10-5-70 and 10-5-71 (2009).

purchase or sale of securities, directly or indirectly: employed devices, schemes, or artifices to defraud, made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which it is made, not misleading, and/or engaged in acts, practices, or courses or business which operated or would operate as a fraud or deceit upon any person. The violation is an actionable event pursuant to O.C.G.A. § 10-5-73, and as a consequence of the action, Dynamic and Moskowitz are subject to discipline.

III. Order

WHEREFORE, by the authority vested in me as the Commissioner of Securities for the State of Georgia, **IT IS HEREBY ORDERED**:

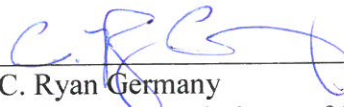
1. That **Dynamic Adsorbents, Inc.** and **Dr. Mark Moskowitz** **CEASE AND DESIST** any and all violations of the Georgia Securities Act of 2008, as amended.

The entry of this Order is deemed to be in the public interest. If at any time it appears to the Commissioner that Respondents have failed to comply with this Consent Order or has made any other material misrepresentations or omissions in regards to this matter, the Commissioner may take further action.

SO ORDERED this 2nd day of March, 2017.

BRIAN P. KEMP
SECRETARY OF STATE
COMMISSIONER OF SECURITIES

By: _____


C. Ryan Germany
Assistant Commissioner of Securities

**CONSENT TO ENTRY OF CONSENT ORDER BY DYNAMIC ADSORBENTS, INC.
AND DR. MARK MOSKOVITZ**

Dynamic Adsorbents, Inc. ("Dynamic") and Dr. Mark Moskowitz ("Moskovitz")(collectively "Respondents") hereby acknowledge that they has been served with a copy of this Consent Order, have read the foregoing Consent Order, are aware of their rights to a hearing and appeal in this matter, and have waived the same.

Respondents admit the jurisdiction of the Georgia Commissioner of Securities and consent to entry of this Consent Order as settlement of the issues contained in this Consent Order.

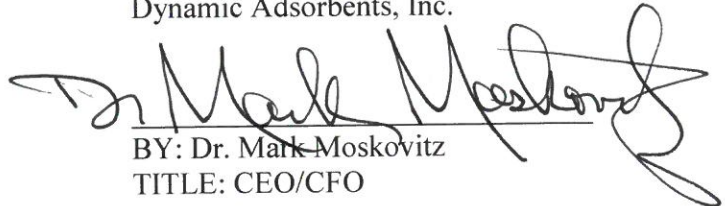
Respondents agree that they shall not claim, assert, or apply for a tax deduction or tax credit with regard to any state, federal, or local tax for any administrative monetary penalty that Respondents shall pay pursuant to this Consent Order.

Respondents state that no promise of any kind or nature whatsoever was made to them to induce them to enter into this Consent Order and that they have entered in this Consent Order voluntarily.

Moskovitz represent that he is an officer of Dynamic and that, as such, has been authorized by Dynamic to enter into this Consent Order for and on behalf of Dynamic.

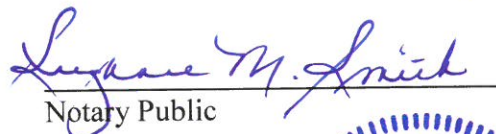
Dated this 27 day of February, 2017

Dynamic Adsorbents, Inc.


BY: Dr. Mark Moskowitz
TITLE: CEO/CFO

State of Georgia
County of Gwinnett

SUBSCRIBED AND SWORN TO before me this 27 day of February, 2017


Notary Public

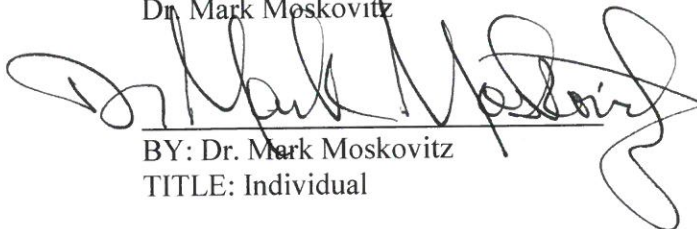
My commission expires:

9/19/20



Dated this 27 day of February, 2017

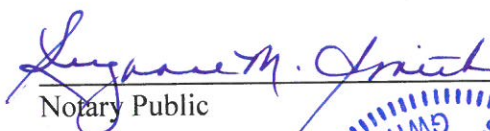
Dr. Mark Moskowitz


BY: Dr. Mark Moskowitz
TITLE: Individual

State of Georgia

County of Gwinnett

SUBSCRIBED AND SWORN TO before me this 27 day of February, 2017


Notary Public

My commission expires:

9/19/20

